Disenrollment of Medicare Cancer Patients from HMOs

Authors: Gerald F. Riley, M.S.P.H.,Eric J Feuer, Ph.D., and James D. Lubitz, M.P.H.

Background and Methodology: There is concern that financial incentives in HMOs might result in pressures to induce sicker members to disenroll. We compared disenrollment rates of Medicare HMO enrollees with cancer to desenrollment rates for cancer-free enrollees, using Medicare enrollment files linked to population-based tumor registry data from the Surveillance, Epidemiology, and End Results (SEER) Program. We identified all aged Medicare beneficiaries who enrolled in an HMO located in a SEER reporting area during 1985-1989. Time to disenrollment was analyzed using a proportional hazards model.

Major findings: Overall, cancer patients were no more likely to disenroll than others. However, persons diagnosed with cancer after enrollment were less likely to disenroll than other persons in Independent Practice Association (IPA) model HMOs (relative risk (RR)=0.79). Cancer patients diagnosed after enrollment in group and staff model HMOs were about equally likely to disenroll as other persons (RR=0.91). Persons diagnosed with cancer less than 18 months before enrollment were at high risk for disenrollment from both IPA and group/staff model HMOs (RR=1.47 and 1.35). There was substantial variation among HMOs in disenrollment rates and in RRs for disenrollment by cancer patients.

The low disenrollment rates of patients diagnosed after enrollment do not support the contention that features intrinsic to managed care make HMOs unattractive to the seriously ill. Monitoring of selective disenrollment could be used as a screen for possible access and quality problems.